

**Fiscal 2013 2nd Quarter
Financial Results**
– supplementary financial summary –

October 31, 2013
Asahi Kasei Corporation

Consolidated results for 1st half fiscal year 2013

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Consolidated results for 1st half fiscal year 2013

Summary of financial results (i)

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(¥ billion)

	H1 2012	H1 2013	
		Result	Forecast in Aug.
Net sales	787.5	919.0	920.0
Operating income	38.3	74.3	65.0
Ordinary income	35.9	72.9	61.0
Net income	20.6	46.6	38.0

H1 2013 vs. H1 2012		Result vs. forecast in Aug.	
Increase (decrease)	% change	Increase (decrease)	% change
131.5	+16.7%	(1.0)	-0.1%
36.0	+94.0%	9.3	+14.3%
37.0	+103.2%	11.9	+19.5%
26.0	+126.3%	8.6	+22.8%

At closing	Mar. 2013	Sep. 2013	Increase (decrease)
Total assets	1,800.2	1,852.3	52.1
Equity	812.1	872.1	60.0
Interest-bearing debt	381.4	360.4	(21.0)
Debt/equity ratio	0.47	0.41	(0.06)

Summary of financial results (ii)

	H1 2012	H1 2013
Dividends per share	¥7	¥7
Net income per share (EPS)	¥14.75	¥33.38
Net worth per share (BPS)	¥506.09	¥624.00

Scope of consolidation

Number of consolidated subsidiaries	124	131
Number of affiliates for which the equity method is applied	45	41

Key operating factors

Naphtha price (¥/kL, domestic)	55,200	64,700
¥/US\$ exchange rate (market average)	79	99
Employees at end of period	28,433	29,210

Statements of income

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(¥ billion)

	H1 2012		H1 2013		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	787.5	100.0%	919.0	100.0%	131.5	+16.7%
Cost of sales	585.2	74.3%	665.8	72.4%	80.6	+13.8%
Gross profit	202.3	25.7%	253.2	27.6%	50.9	+25.2%
Selling, general and administrative expenses	164.0	20.8%	178.9	19.5%	14.9	+9.1%
Operating income	38.3	4.9%	74.3	8.1%	36.0	+94.0%
Net non-operating income (expenses)	(2.4)		(1.4)		1.0	
of which,						
net financing income (expense)	0.7		0.6		(0.1)	
net equity in earnings (losses) of affiliates	0.0		(1.8)		(1.8)	
foreign exchange loss	(1.7)		(0.3)		1.4	
Ordinary income	35.9	4.6%	72.9	7.9%	37.0	+103.2%
Net extraordinary income (loss)	(3.1)		(1.6)		1.4	
Income before income taxes and minority interests	32.8	4.2%	71.3	7.8%	38.5	+117.3%
Income taxes	(11.8)		(24.1)		(12.4)	
Minority interests in income	(0.4)		(0.5)		(0.1)	
Net income	20.6	2.6%	46.6	5.1%	26.0	+126.3%

Financing activity

Financing income and expenses

(¥ billion)

	H1 2012	H1 2013	Increase (decrease)
Interest expenses	(1.6)	(1.7)	(0.2)
Interest income	0.8	0.6	(0.2)
Dividends income	1.6	1.8	0.3
Others	(0.0)	(0.0)	(0.0)
Total	0.7	0.6	(0.1)

Interest-bearing debt

(¥ billion)

At end of	Sep. 2012	Mar. 2013	Sep. 2013	Mar.–Sep. 2013 increase (decrease)
Short-term loans payable	110.5	113.0	116.6	3.6
Commercial paper	117.0	70.0	50.0	(20.0)
Long-term loans payable	137.0	146.9	143.5	(3.4)
Bonds payable	45.0	45.0	45.0	–
Lease obligations	7.3	6.5	5.3	(1.2)
Total	416.9	381.4	360.4	(21.0)

Extraordinary income and loss

(¥ billion)

	H1 2012	H1 2013	Increase (decrease)
Extraordinary income			
Gain on sales of investment securities	–	0.3	0.3
Gain on sales of property, plant and equipment	0.0	1.5	1.4
Total extraordinary income	0.0	1.8	1.8
Extraordinary loss			
Loss on valuation of investment securities	0.1	0.6	0.5
Loss on disposal of noncurrent assets	1.6	1.4	(0.2)
Impairment loss	0.5	–	(0.5)
Business structure improvement expenses	1.0	1.4	0.5
Total extraordinary loss	3.1	3.4	0.3
Net extraordinary income (loss)	(3.1)	(1.6)	1.4

Balance sheets

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(¥ billion)

	At end of Mar. 2013	At end of Sep. 2013	Increase (decrease)		At end of Mar. 2013	At end of Sep. 2013	Increase (decrease)
Current assets	819.5	846.4	26.9	Liabilities	975.7	967.6	(8.1)
Cash and deposits	109.5	112.4	2.9	Current liabilities	602.9	597.2	(5.7)
Notes and accounts receivable–trade	306.2	304.5	(1.7)	Noncurrent liabilities	372.9	370.4	(2.4)
Inventories	309.7	338.5	28.8	Net assets	824.5	884.7	60.3
Other current assets	94.1	91.0	(3.1)	Shareholders' equity	733.9	770.7	36.8
Noncurrent assets	980.7	1,005.9	25.2	Capital stock	103.4	103.4	–
Property, plant and equipment	461.6	473.3	11.7	Capital surplus	79.4	79.4	0.0
Intangible assets	255.4	256.4	1.0	Retained earnings	553.6	590.4	36.9
Investments and other assets	263.7	276.2	12.5	Treasury stock	(2.4)	(2.5)	(0.1)
				Accumulated other comprehensive income	78.2	101.3	23.2
				Minority interests	12.4	12.7	0.3
Total assets	1,800.2	1,852.3	52.1	Total liabilities and net assets	1,800.2	1,852.3	52.1

Cash flows and primary investments

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Cash flows

(¥ billion)

	H1 2012	H1 2013
a. Net cash provided by (used in) operating activities	29.9	87.4
b. Net cash provided by (used in) investing activities	(228.6)	(50.2)
c. Free cash flows [a+b]	(198.7)	37.2
d. Net cash provided by (used in) financing activities	221.4	(34.7)
e. Effect of exchange rate change on cash and cash equivalents	(5.7)	1.7
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	17.1	4.2
g. Cash and cash equivalents at beginning of period	96.4	104.0
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	0.1	0.0
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	(5.3)	–
j. Cash and cash equivalents at end of period [f+g+h+i]	108.2	108.2

Primary investments

(¥ billion)

	FY 2012		FY 2013	
	H1 2012		H1 2013	forecast
Capital expenditure (tangible)	46.4	92.3	35.7	84.5
Capital expenditure (intangible)	8.5	21.5	4.4	13.0
Total capital expenditure	54.9	113.8	40.1	97.5
Depreciation and amortization excluding goodwill	37.4	80.0	41.2	89.5
Amortization of goodwill	3.2	7.0	4.4	
Total depreciation and amortization	40.6	87.0	45.6	
R&D expenditures	35.1	71.1	34.5	72.0

H1 2013 vs. H1 2012 sales and operating income by segment¹

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(¥ billion)

	Sales			Operating income (loss)			H1 2013 forecast in Aug.	
	H1 2012	H1 2013	Increase (decrease)	H1 2012	H1 2013	Increase (decrease)	Sales	Operating income (loss)
Chemicals	332.3	397.0	64.7	14.6	23.2	8.6	398.0	21.0
Fibers	53.9	59.8	5.9	1.7	4.4	2.7	59.0	3.5
Homes	213.0	238.4	25.3	18.8	26.5	7.7	239.0	26.5
Construction Materials	24.8	27.8	3.0	1.6	3.1	1.5	28.0	2.5
Electronics	66.9	74.7	7.8	0.0	9.3	9.3	74.0	7.0
Health Care	64.8	75.8	11.0	7.5	16.4	8.9	76.0	14.0
Critical Care ²	22.9	37.5	14.6	(1.1)	(2.0)	(0.9)	38.0	(2.0)
Others	8.9	8.0	(0.9)	1.2	0.8	(0.4)	8.0	0.5
Corporate expenses and eliminations	–	–	–	(6.0)	(7.3)	(1.4)	–	(8.0)
Consolidated	787.5	919.0	131.5	38.3	74.3	36.0	920.0	65.0

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Overseas sales by segment¹

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(¥ billion)

	H1 2012			H1 2013			Increase (decrease)	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total	in overseas sales	
								% change
Chemicals	332.3	138.7	41.7%	397.0	184.5	46.5%	45.8	+33.1%
Fibers	53.9	18.3	34.0%	59.8	23.4	39.1%	5.1	+27.7%
Homes	213.0	–	–	238.4	–	–	–	–
Construction Materials	24.8	–	–	27.8	–	–	–	–
Electronics	66.9	36.3	54.2%	74.7	47.3	63.3%	11.0	+30.3%
Health Care	64.8	13.7	21.1%	75.8	17.9	23.6%	4.2	+30.6%
Critical Care ²	22.9	22.8	99.6%	37.5	37.3	99.4%	14.5	+63.7%
Others	8.9	0.6	6.7%	8.0	0.3	4.1%	(0.3)	-44.5%
Total	787.5	230.3	29.2%	919.0	310.7	33.8%	80.3	+34.9%
Sales to East Asia ³		136.9	17.4%		177.7	19.3%	40.8	+29.8%
of which, sales to China		74.0	9.4%		97.6	10.6%	23.5	+31.8%

Sales, excluding Homes and Construction Materials

549.7 230.3 41.9% 652.8 310.7 47.6%

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

³ China, Korea, and Taiwan.

Sales and operating income increases/decreases by segment¹ (i)

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(¥ billion)

		H1 2012	H1 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	332.3	397.0	64.7	36.6	26.8	27.3	1.3	–
	Operating income	14.6	23.2	8.6	1.2			–	(19.4)
Fibers	Sales	53.9	59.8	5.9	3.8	3.8	3.7	(1.6)	–
	Operating income	1.7	4.4	2.7	0.5			–	(1.6)
Homes	Sales	213.0	238.4	25.3	24.0	0.3	–	1.0	–
	Operating income	18.8	26.5	7.7	8.3			–	(1.0)
Construction Materials	Sales	24.8	27.8	3.0	2.8	0.2	–	–	–
	Operating income	1.6	3.1	1.5	0.7			–	0.5
Electronics	Sales	66.9	74.7	7.8	4.6	3.2	9.3	–	–
	Operating income	0.0	9.3	9.3	1.8			–	4.4

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

Sales and operating income increases/decreases by segment¹ (ii)

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(¥ billion)

		H1 2012	H1 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	64.8	75.8	11.0	7.4	3.6	3.4	-	-
	Operating income	7.5	16.4	8.9	8.2				-
Critical Care ²	Sales	22.9	37.5	14.6	2.8	0.9	0.0	11.0	-
	Operating loss	(1.1)	(2.0)	(0.9)	2.3				-
Others	Sales	8.9	8.0	(0.9)	(0.9)	-	-	-	-
	Operating income	1.2	0.8	(0.4)	(0.1)				-
Corporate expenses and eliminations	Operating loss	(6.0)	(7.3)	(1.4)	-	-	-	-	(1.4)
Consolidated	Sales	787.5	919.0	131.5	81.1	38.7	43.7	11.7	-
	Operating income	38.3	74.3	36.0	22.9				-

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Forecast for fiscal year 2013

Consolidated operating performance

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(¥ billion)

	FY 2012			FY 2013 forecast			Increase (decrease)	FY 2013 forecast in May	Increase (decrease)
	H1	H2	Total	H1	H2 forecast	Total			
Net sales	787.5	879.1	1,666.6	919.0	985.0	1,904.0	237.4	1,891.0	13.0
Operating income	38.3	53.7	92.0	74.3	70.7	145.0	53.0	130.0	15.0
Ordinary income	35.9	59.3	95.1	72.9	70.1	143.0	47.9	130.0	13.0
Net income	20.6	33.1	53.7	46.6	39.4	86.0	32.3	77.0	9.0

Naphtha price (¥/kL, domestic)	55,200	59,800	57,500	64,700	67,000	65,850	8,350	62,000	3,850
¥/US\$ exchange rate (market average)	79	87	83	99	98	98	15	95	3

	FY 2012	FY 2013
Dividends per share	¥14	¥14 (planned)
Payout ratio	36.4%	22.8%

Sales forecast by segment¹

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(¥ billion)

	FY 2012			FY 2013 forecast			Increase (decrease)	FY 2013 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	332.3	352.3	684.6	397.0	403.0	800.0	115.4	398.0	402.0	800.0	(1.0)	1.0	–
Fibers	53.9	55.7	109.6	59.8	60.2	120.0	10.4	58.0	62.0	120.0	1.8	(1.8)	–
Homes	213.0	273.1	486.2	238.4	293.6	532.0	45.8	239.0	287.0	526.0	(0.6)	6.6	6.0
Construction Materials	24.8	26.7	51.5	27.8	29.2	57.0	5.5	28.0	31.0	59.0	(0.2)	(1.8)	(2.0)
Electronics	66.9	64.2	131.1	74.7	74.3	149.0	17.9	70.0	75.0	145.0	4.7	(0.7)	4.0
Health Care	64.8	68.6	133.5	75.8	74.2	150.0	16.5	73.0	72.0	145.0	2.8	2.2	5.0
Critical Care ²	22.9	29.3	52.1	37.5	40.5	78.0	25.9	37.0	40.0	77.0	0.5	0.5	1.0
Others	8.9	9.1	18.0	8.0	10.0	18.0	(0.0)	9.0	10.0	19.0	(1.0)	(0.0)	(1.0)
Consolidated	787.5	879.1	1,666.6	919.0	985.0	1,904.0	237.4	912.0	979.0	1,891.0	7.0	6.0	13.0

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Operating income forecast by segment¹

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(¥ billion)

	FY 2012			FY 2013 forecast			Increase (decrease)	FY 2013 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	14.6	8.4	22.9	23.2	19.8	43.0	20.1	21.0	22.0	43.0	2.2	(2.2)	–
Fibers	1.7	2.3	4.0	4.4	4.1	8.5	4.5	3.0	4.0	7.0	1.4	0.1	1.5
Homes	18.8	35.4	54.3	26.5	33.5	60.0	5.7	26.5	33.5	60.0	0.0	–	0.0
Construction Materials	1.6	2.4	4.0	3.1	2.9	6.0	2.0	2.5	3.0	5.5	0.6	(0.1)	0.5
Electronics	0.0	2.8	2.8	9.3	6.7	16.0	13.2	4.0	6.0	10.0	5.3	0.7	6.0
Health Care	7.5	8.5	15.9	16.4	11.6	28.0	12.1	10.5	10.0	20.5	5.9	1.6	7.5
Critical Care ²	(1.1)	(2.6)	(3.7)	(2.0)	(1.5)	(3.5)	0.2	(2.0)	(2.0)	(4.0)	(0.0)	0.5	0.5
Others	1.2	1.0	2.2	0.8	0.7	1.5	(0.7)	0.5	1.0	1.5	0.3	(0.3)	–
Corporate expenses and eliminations	(6.0)	(4.5)	(10.5)	(7.3)	(7.2)	(14.5)	(4.0)	(7.0)	(6.5)	(13.5)	(0.3)	(0.7)	(1.0)
Consolidated	38.3	53.7	92.0	74.3	70.7	145.0	53.0	59.0	71.0	130.0	15.3	(0.3)	15.0

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Appendix

Statements of comprehensive income

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			(¥ billion)
	H1 2012	H1 2013	Increase (decrease)
a: Income before minority interests	21.0	47.2	26.1
Net increase or decrease in unrealized gain on other securities	(4.3)	9.6	13.9
Deferred gains or losses on hedges	1.6	0.5	(1.1)
Foreign currency translation adjustment	(14.8)	13.0	27.8
Share of other comprehensive income of affiliates accounted for using equity method	(1.4)	0.2	1.6
b: Other comprehensive income	(18.9)	23.3	42.2
Comprehensive income [a+b]	2.1	70.5	68.3
Comprehensive income attributable to owners of the parent	2.0	69.8	67.8
Comprehensive income attributable to minority interests	0.2	0.7	0.5

Quarterly sales¹ by segment

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(¥ billion)

	FY 2011				FY 2012				FY 2013		FY2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals ²	177.9	182.2	165.6	154.5	161.1	171.3	169.0	183.2	193.1	203.9	403.0
Fibers	27.7	28.4	27.2	27.5	26.3	27.6	27.5	28.3	28.8	31.0	60.2
Homes	79.2	120.8	109.0	143.0	86.3	126.7	117.4	155.7	98.4	140.0	293.6
Construction Materials	10.1	12.2	12.8	11.1	11.5	13.2	14.4	12.3	13.1	14.7	29.2
Electronics	39.8	37.8	35.6	32.9	34.0	33.0	33.2	31.0	36.5	38.2	74.3
Health Care	29.4	30.6	30.7	28.8	32.4	32.4	36.1	32.6	38.3	37.5	74.2
Critical Care ³	–	–	–	–	9.1	13.8	13.3	16.0	17.8	19.8	40.5
Others	4.0	4.5	4.4	5.7	4.4	4.5	4.2	5.0	4.0	4.0	10.0
Total	368.0	416.5	385.3	403.5	365.0	422.5	415.1	464.0	430.0	489.0	985.0

Naphtha resale amount
excluded from net sales

8.2	9.6	16.4	5.6
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¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011.

³ Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. were included beginning on April 27, 2012.

Quarterly operating income by segment¹ **AsahiKASEI**

(¥ billion)

	FY 2011				FY 2012				FY 2013		FY 2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals	19.4	14.7	9.2	1.2	4.3	10.2	2.9	5.5	10.2	13.0	19.8
Fibers	1.4	0.7	0.5	0.5	0.6	1.1	1.3	1.0	2.2	2.2	4.1
Homes	3.6	14.2	10.9	17.5	3.6	15.2	13.0	22.5	6.6	19.9	33.5
Construction Materials	0.2	0.5	0.9	0.1	0.5	1.1	1.7	0.7	1.3	1.7	2.9
Electronics	4.8	2.2	(0.5)	(0.2)	(0.4)	0.4	1.4	1.4	3.8	5.5	6.7
Health Care	2.6	3.0	3.7	(0.6)	4.7	2.8	7.0	1.5	9.0	7.4	11.6
Critical Care ²	–	–	–	–	(0.5)	(0.6)	(1.2)	(1.3)	(1.5)	(0.5)	(1.5)
Others	0.4	0.8	0.9	0.9	0.8	0.3	0.5	0.6	0.4	0.4	0.7
Corporate expenses and eliminations	(2.2)	(2.7)	(2.5)	(2.3)	(2.9)	(3.0)	(2.2)	(2.3)	(3.7)	(3.6)	(7.2)
Total	30.2	33.5	23.3	17.2	10.8	27.5	24.2	29.4	28.3	46.0	70.7

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. were included beginning on April 27, 2012.

Primary investments by segment¹

AsahiKASEI

(¥ billion)

	Capital expenditures			Depreciation and amortization ²			R&D expenditures		
	FY 2012	FY 2013 forecast		FY 2012	FY 2013 forecast		FY 2012	FY 2013 forecast	
		H1			H1			H1	
Chemicals	47.3	13.9	37.0	30.0	15.0		15.9	7.5	
Fibers	6.8	2.2	6.0	6.1	2.9		2.8	1.4	
Homes	9.5	3.8	7.0	5.3	2.8		2.2	1.1	
Construction Materials	2.2	1.9	5.5	2.3	1.0		1.0	0.4	
Electronics	17.0	5.7	16.0	15.0	6.5		17.6	8.3	
Health Care	14.3	5.1	10.0	10.5	4.8		20.0	9.2	
Critical Care	5.4	4.8	6.0	6.9	4.9		3.9	2.9	
Others	1.1	0.6	2.0	0.9	0.5		0.1	0.0	
Corporate assets and eliminations	10.1	2.0	8.0	3.1	2.8		7.5	3.6	
Total	113.8	40.1	97.5	80.0	41.2	89.5	71.1	34.5	72.0

Amortization of goodwill³

7.0 4.4

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² Amortization of goodwill, which was previously included in depreciation and amortization, is now shown separately below the table.

³ Amortization of goodwill related to acquisition of ZOLL Medical Corp., etc. incurred from FY 2012.

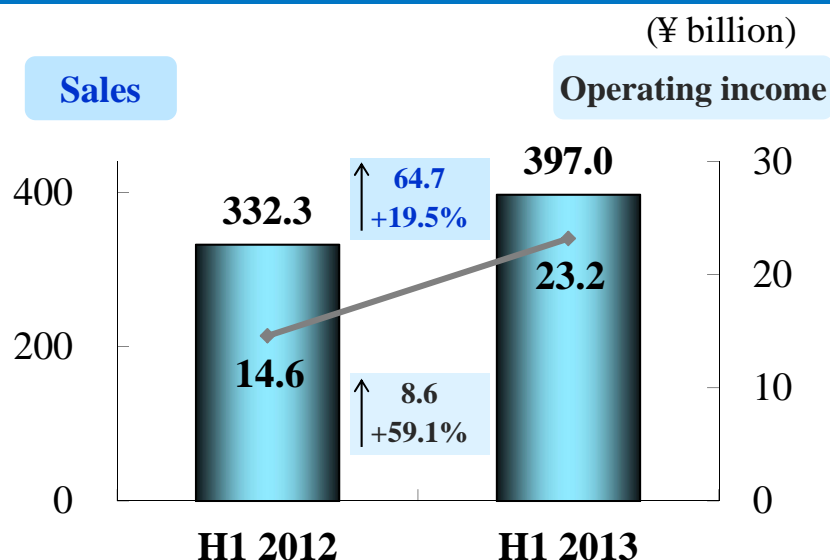
Completed in H1 2013

- Solution-SBR – new 50,000 ton/y plant in Singapore, Apr. 2013.*
- Hipore™ Li-ion battery separator – 50 million m²/y capacity increase in Hyuga, Japan, Jul. 2013.*

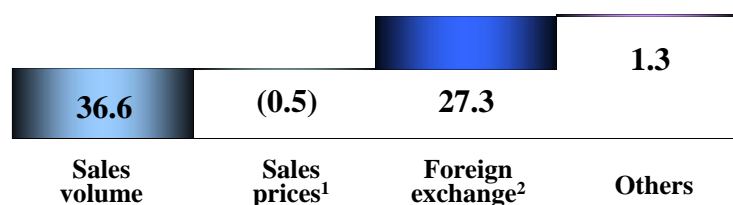
Under construction at end of Sep. 2013

- New research complex for pharmaceuticals in Ohito, Japan, Oct. 2013.
- Sunfort™ photosensitive dry film – new 120 million m²/y plant in Changshu, China, Oct. 2013.*
- Acetonitrile – new 11,000 ton/y plant in Korea, Jan. 2014.
- Neoma™ high-performance phenolic foam insulation panels – capacity increase by 80% in Sakai, Japan, Mar. 2014.*
- Bemberg™ cupro regenerated cellulose – capacity increase in Nobeoka, Japan, Apr. 2014.*
- Solution-SBR – 50,000 ton/y capacity increase in Singapore, first half 2015.*

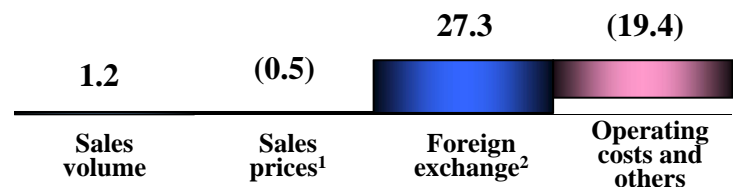
* Investment of ¥3 billion or more.



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Volume products:

Chemicals and derivative products: Impact of low market prices for acrylonitrile and of high feedstock prices. Effect of depreciation of the yen. Improved market prices for styrene. Sales and operating income increase.

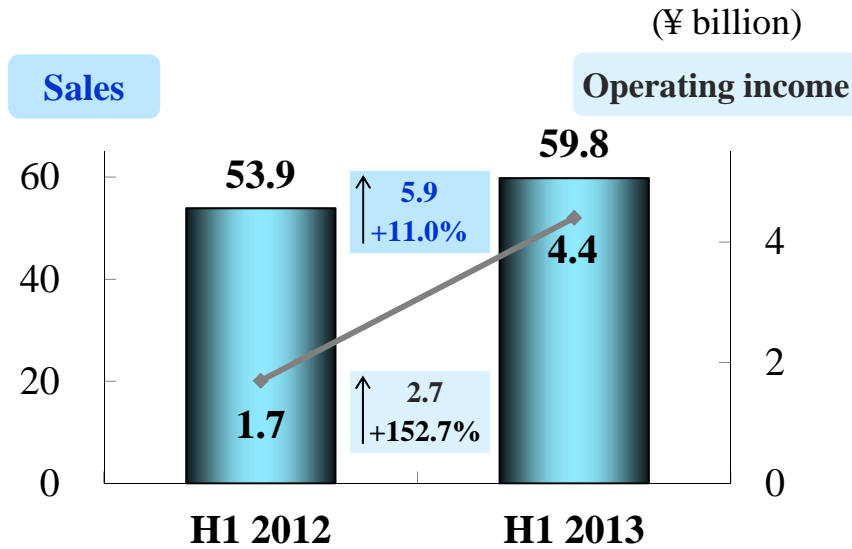
Polymer products: Impact of high feedstock prices for polyethylene. Effect of depreciation of the yen. Firm shipments of engineering plastics and of synthetic rubber for fuel-efficient tires. Sales and operating income increase.

Specialty products:

Effect of depreciation of the yen, most notably for ion-exchange membranes. Firm shipments of functional chemicals for pharmaceutical manufacture and of coating materials. Sales and operating income increase.

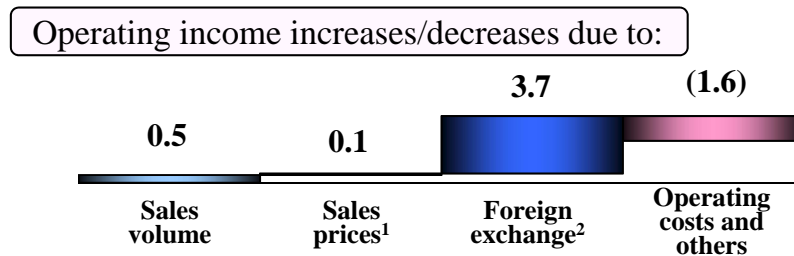
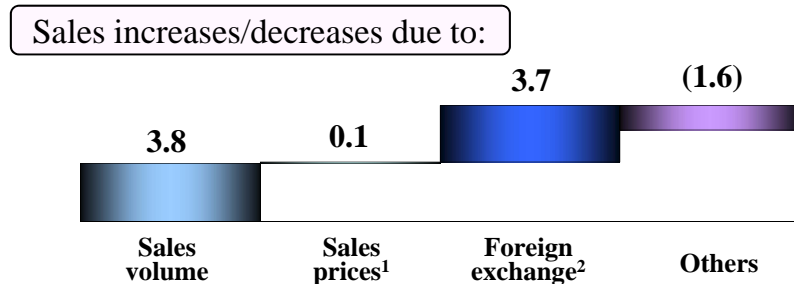
Highlights

- April, start of commercial operation of a new plant in Singapore for solution-polymerized styrene-butadiene rubber (S-SBR) for fuel-efficient tires.
- June, decision to obtain full ownership of a joint venture for production and sale of polyacetal in China by a share transfer from DuPont.
- August, agreement with Mitsubishi Chemical Corp. on premises in study for unification of naphtha crackers in Mizushima; unification on Mitsubishi facilities targeted in spring 2016.
- August, decision to construct a new plant in China for Duranol™ polycarbonatediol (PCD).



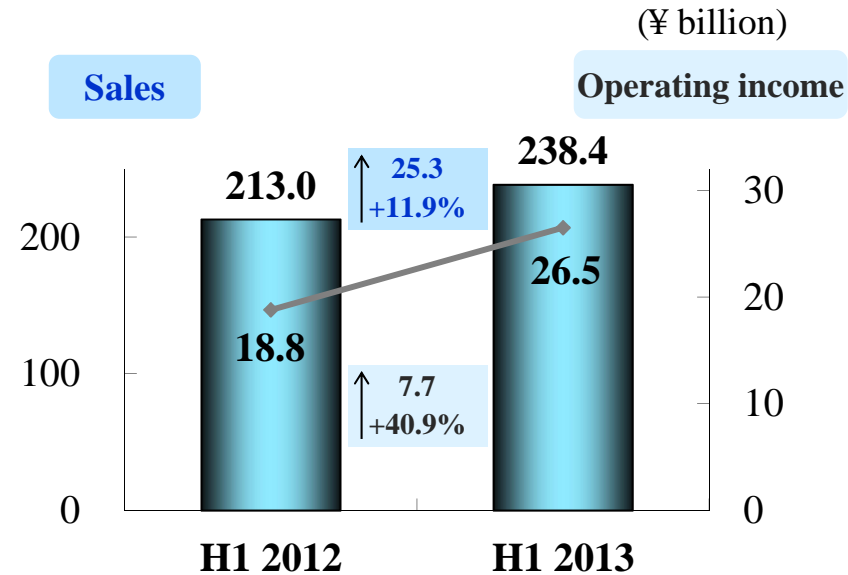
Review of operations

Impact of higher feedstock costs for each product. Effect of the depreciation of the yen. Increased shipments of nonwovens such as Lamous™ artificial suede for automotive interiors and of Roica™ elastic polyurethane filament. Firm sales of Bemberg™ cupro regenerated cellulose. Sales and operating income increase.



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices



Results by product category

(¥ billion)

	H1 2012		H1 2013		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	161.4	14.8	181.0	21.5	19.5	6.7
Real estate (Asahi Kasei Fudousan Residence)	28.8	1.1	32.1	1.6	3.3	0.4
Remodeling (Asahi Kasei Reform)	21.6	2.6	24.5	3.0	2.9	0.4
Other housing-related, etc.	1.2	0.3	0.8	0.5	(0.4)	0.1
Total	213.0	18.8	238.4	26.5	25.3	7.7

Review of operations

Order-built homes:

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings. Sales and operating income increase.
- Last-minute surge in demand ahead of the upcoming consumption tax hike. Value of new orders increased 21.4% from a year ago.

Real estate-related, remodeling and others:

Good performance of rental management in real estate operations. Strong orders for major remodeling work and other renovation work in remodeling operations. Sales and operating income increase.

Highlights

- April, launch of Hebel Haus™ FREX RESIDENCE high-grade three-story houses for large plots.
- August, launch of two-generation Hebel Haus™ homes with features adapting to newer lifestyles of families.

Homes (i)

Sales¹ and order trends

(¥ billion, % indicates year-on-year comparison)

		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog		
FY09	H1	154.6 (-1.6%)	115.8 (-10.5%)	5.2 (-12.6%)		0.8	35.8 (+4.4%)	157.7 (-7.4%)	321.3		
	H2	152.3 (+13.7%)	166.5 (-6.4%)	26.9 (+12.4%)		1.1	37.5 (+1.7%)	232.0 (-3.2%)	307.1		
	annual	306.9 (+5.4%)	282.3 (-8.1%)	32.1 (+7.4%)		1.9	73.4 (+3.0%)	389.7 (-4.9%)			
FY10	H1	181.7 (+17.6%)	125.5 (+8.3%)	9.4 (+79.8%)		1.1	37.5 (+4.8%)	173.5 (+10.0%)	363.4		
	H2	172.8 (+13.4%)	176.6 (+6.1%)	18.4 (-31.7%)		1.5	39.2 (+4.5%)	235.7 (+1.6%)	359.5		
	annual	354.5 (+15.5%)	302.1 (+7.0%)	27.8 (-13.6%)		2.5	76.8 (+4.6%)	409.2 (+5.0%)			
FY11	H1	189.4 (+4.2%)	145.9 (+16.3%)	11.9 (+26.5%)		1.5	40.6 (+8.3%)	200.0 (+15.2%)	403.0		
	H2	182.5 (+5.6%)	193.7 (+9.7%)	11.8 (-35.7%)		46.5	(+14.2%)	252.0 (+6.9%)	391.8		
	annual	371.9 (+4.9%)	339.6 (+12.4%)	23.7 (-14.7%)		88.7	(+11.8%)	452.0 (+10.4%)			
		Value of new orders during the term	Sales of order-built homes, etc.	Sales of real estate				Sales of remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY12	H1	207.5 (+9.5%)	161.4	4.4	23.3	1.1	28.8	21.6	1.2	213.0 (+6.5%)	441.5
	H2	204.9 (+12.3%)	205.9	16.2	24.5	1.1	41.9	24.7	0.7	273.1 (+8.4%)	444.6
	annual	412.4 (+10.9%)	367.3	20.6	47.8	2.2	70.6	46.3	1.9	486.2 (+7.6%)	
FY13	H1	251.9 (+21.4%)	181.0 (+12.1%)	4.5	26.2	1.4	32.1	24.5	0.8	238.4 (+11.9%)	519.9
	H2 forecast	192.1 (-6.2%)	211.6 (+2.7%)	23.5	27.8	1.1	52.4	29.0	0.7	293.6 (+7.5%)	505.6
	annual	444.0 (+7.7%)	392.5 (+6.9%)	28.0	54.0	2.5	84.5	53.5	1.5	532.0 (+9.4%)	

¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc. Otherwise, sales in the previous pre-built homes category are now included in real estate.

Homes (ii)

Breakdown of H1 2013 sales and orders of Asahi Kasei Homes

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes	1-2 story	111.0	+13.7%	3,682	+15.6%	131.6	+8.0%	4,220	-0.0%
	3+ story	36.3	+1.7%	1,345	-2.2%	59.7	+30.5%	2,292	+23.0%
	Total	147.3	+10.5%	5,027	+10.2%	191.3	+14.2%	6,512	+7.0%
Multi-dwelling homes	1-2 story	9.7	+17.9%	763	+14.7%	21.7	+48.4%	1,675	+39.5%
	3+ story	19.5	+20.5%	1,446	+11.1%	38.9	+53.7%	2,880	+46.6%
	Total	29.3	+19.6%	2,209	+12.3%	60.6	+51.8%	4,555	+43.9%
Order-built homes total		176.6	+11.9%	7,236	+10.8%	251.9	+21.4%	11,067	+19.6%
Other ¹		4.4	+21.3%	21	+61.5%	-	-	-	-
Asahi Kasei Homes total		181.0	+12.1%	7,257	+10.9%	251.9	+21.4%	11,067	+19.6%

¹ Includes sales of street-corner showrooms and land for Hebel Haus™ construction, insurance commissions, etc.

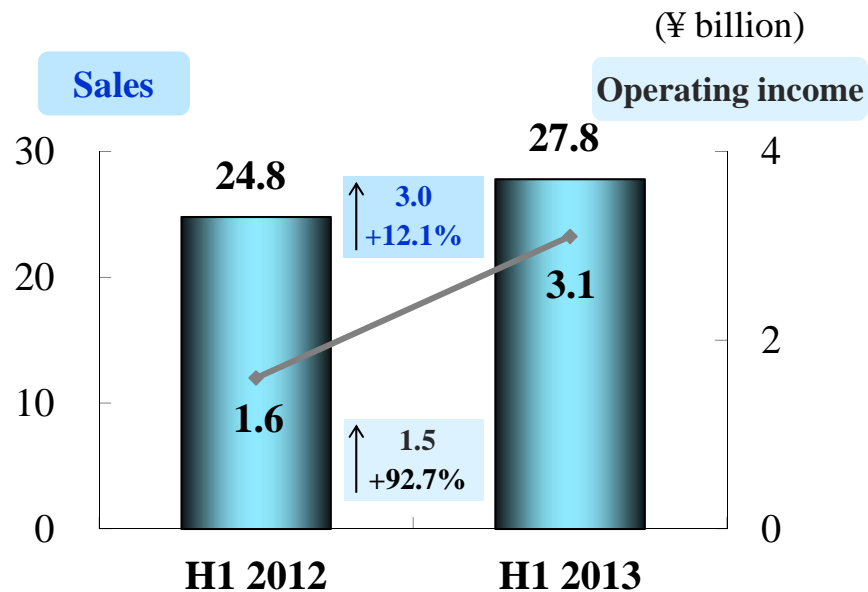
Homes (iii)

Breakdown of sales and order forecast of Asahi Kasei Homes for FY 2013

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes	1-2 story	225.5	+4.5%	7,585	+7.0%	238.9	+0.9%	7,820	-2.9%
	3+ story	86.0	+5.7%	3,765	+17.1%	107.2	+13.9%	4,240	+10.4%
	Total	311.5	+4.8%	11,350	+10.1%	346.1	+4.6%	12,060	+1.4%
Multi-dwelling homes	1-2 story	27.5	+23.6%	2,170	+21.1%	35.0	+18.6%	2,730	+15.7%
	3+ story	44.0	+9.5%	3,410	+5.1%	62.9	+20.7%	4,620	+17.3%
	Total	71.5	+14.5%	5,580	+10.8%	97.9	+20.0%	7,350	+16.7%
Order-built homes total		383.0	+6.5%	16,930	+10.4%	444.0	+7.7%	19,410	+6.7%
Other ¹		9.5	+23.1%	40	+17.6%	–	–	–	–
Asahi Kasei Homes total		392.5	+6.9%	16,970	+10.4%	444.0	+7.7%	19,410	+6.7%

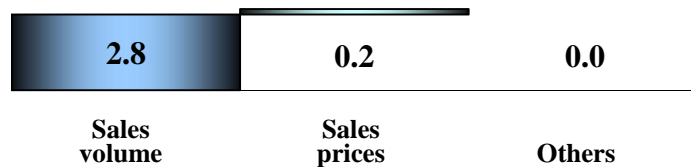
¹ Includes sales of street-corner showrooms and land for Hebel Haus™ construction, insurance commissions, etc.



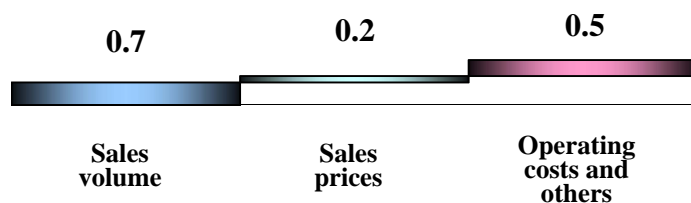
Review of operations

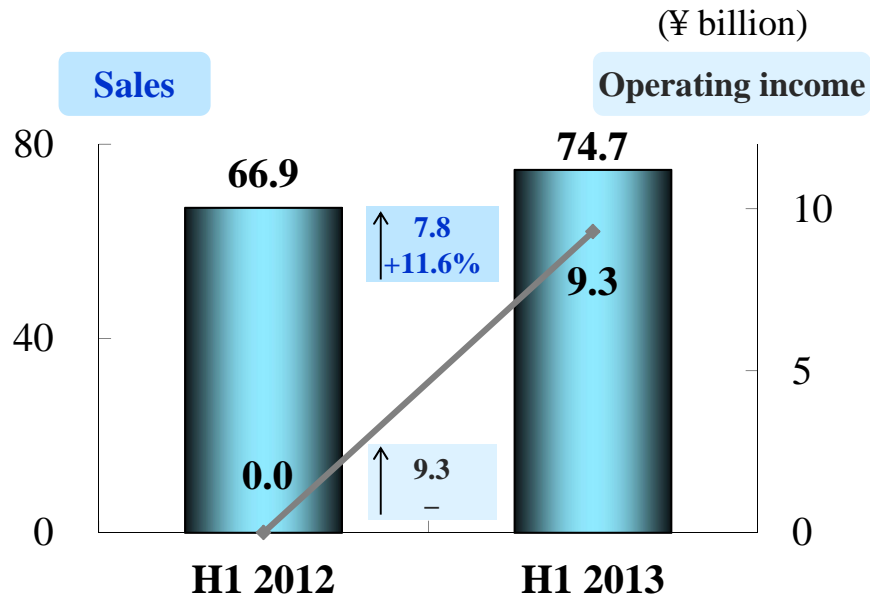
Increased shipments of Hebel™ autoclaved aerated concrete panels. Expanded orders for Eazet™ and ATT Column™ piling systems for small-scale construction with development of new applications. Firm sales of Neoma™ high-performance phenolic foam insulation panels and structural materials. Sales and operating income increase.

Sales increases/decreases due to:

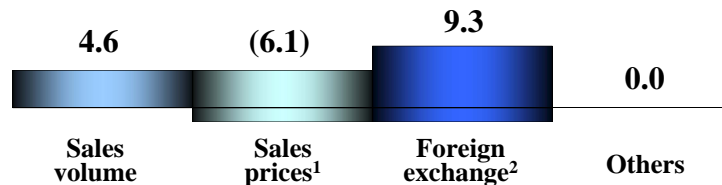


Operating income increases/decreases due to:

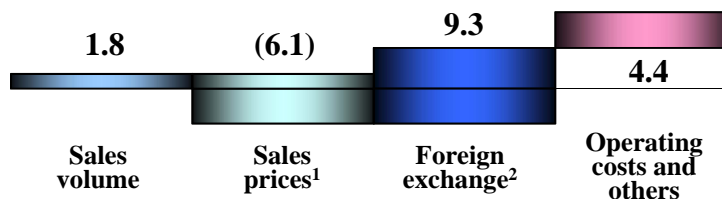




Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Electronic devices:

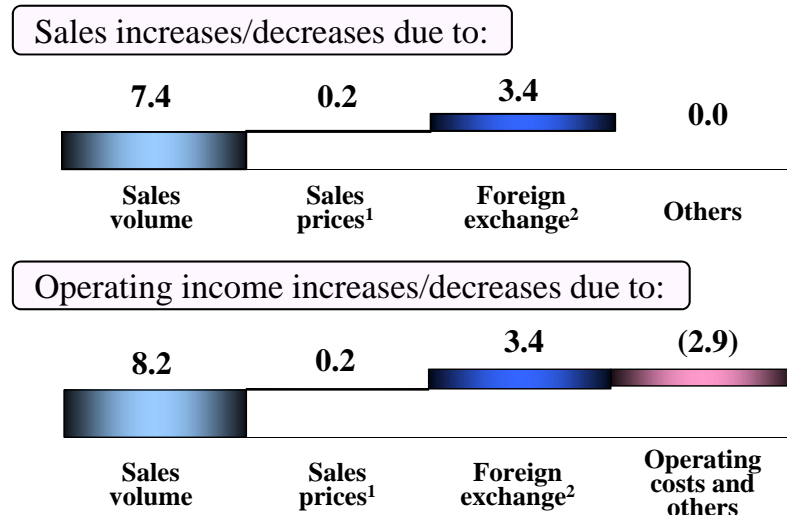
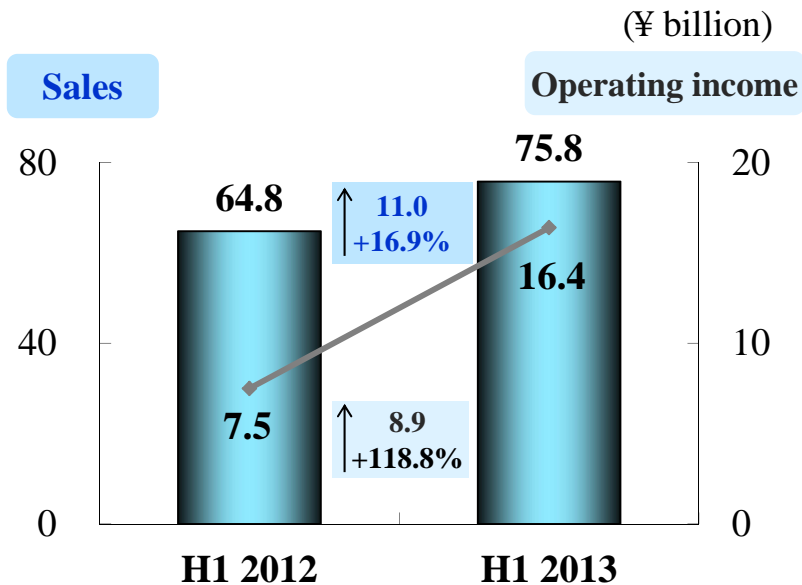
Impact of reduced sales prices in each product category. Effect of depreciation of the yen. Increased shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications. Sales and operating income increase.

Electronic materials:

Effect of depreciation of the yen. Increased sales for high-end products among Hipore™ Li-ion battery separator and other products. Sales and operating income increase.

Highlights

- October, launch of a new 3-axis electronic compass for portable appliances in world's smallest size of 1.2 mm square.



Review of operations

Pharmaceuticals:

Impact of higher SG&A expenses. Increased shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin. Sales and operating income increase.

Devices:

Effect of depreciation of the yen for blood-purification products. Increased shipments of Planova™ virus removal filters. Sales and operating income increase.

Highlights

- August, launch of Ribotest™ Mycoplasma, a rapid diagnostic test kit to aid the diagnosis of mycoplasma infection.
- September, conclusion of agreement with Pfizer Japan Inc. for co-promotion in Japan of Recomodulin™ anticoagulant intravenous infusion 12800 (recombinant thrombomodulin alpha).
- October, launch of drug discovery collaboration with Vernalis plc against a target in autoimmune diseases including rheumatoid arthritis.

¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Health Care (i)

Sales of Health Care segment

(¥ billion)

		FY 2012		FY 2013	
		H1		H1	forecast
	Domestic pharmaceuticals	34.2	70.8	40.8	80.8
	Others	2.3	4.9	3.3	5.7
Asahi Kasei Pharma consolidated		36.5	75.7	44.1	86.5
Devices ¹		28.3	57.8	31.7	63.5
Total		64.8	133.5	75.8	150.0

¹ Asahi Kasei Medical and its affiliate companies.

Main pharmaceuticals domestic sales

(¥ billion)

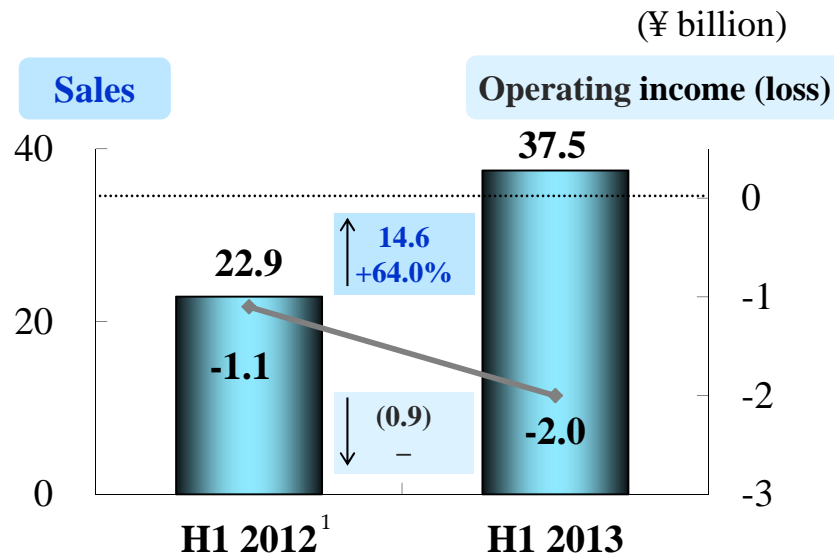
	FY 2012		FY 2013	
	H1		H1	forecast
Teribone™	7.3	17.0	12.8	26.2
Flivas™	7.0	14.2	7.0	13.9
Recomodulin™	4.3	9.4	5.9	11.9
Elcitonin™	5.3	10.0	4.3	8.0
Bredinin™	3.1	6.0	3.2	6.1

Main pharmaceutical products

	Generic name	Mechanism/ substance class	Indication	Formulation
Teribone™	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Flivas™	Naftopidil	Selective α -1 blocker	Benign prostatic hypertrophy	Tablet
Recomodulin™	Recombinant thrombomodulin alpha	Anticoagulant	Disseminated intravascular coagulation	Injection
Elcitonin™	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection
Bredinin™	Mizoribine	Immunosuppressant	Kidney transplantation, lupus nephritis, nephrosis syndrome, rheumatoid arthritis	Tablet

Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
	AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	HC-58, injection, elcatonin	Additional indication	Calcitonin	Shoulder hand syndrome	In-house
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Severe sepsis with coagulopathy	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



Review of operations

Smooth expansion of LifeVest™ wearable defibrillator operations. Good performance of other products such as defibrillators for use by medical professionals. Increase in SG&A expenses with reinforced sales activity. Impact of difference in the period subject to consolidation. Sales increase, but consolidated operating loss increase.

Highlights

- July, approval in Japan for manufacturing and marketing of LifeVest™ Wearable Cardioverter Defibrillator.

Financial performance of Critical Care segment²

(¥ billion)

	H1 ¹ (May-Sep.)	H2 (Oct.-Mar.)	FY 2012 (May-Mar.)	H1	H2 forecast	FY 2013 forecast
Net sales	22.9	29.3	52.1	37.5	40.5	78.0
Gross operating income before PPA ³ impact [a]	4.1	3.2	7.3	4.6	4.6	9.2
Amortization/depreciation from PPA ³ revaluation [b]	(5.2)	(5.8)	(11.0)	(6.6)	(6.1)	(12.7)
Goodwill	(2.3)	(3.0)	(5.3)	(3.5)	(3.5)	(7.0)
Other intangible assets, etc. [c]	(2.9)	(2.7)	(5.7)	(3.1)	(2.6)	(5.8)
Consolidated operating income (loss) [a-b]	(1.1)	(2.6)	(3.7)	(2.0)	(1.5)	(3.5)

¹ Results from May through September 2012.

² Amount for amortization of intangible assets that had been incurred prior to Asahi Kasei's acquisition, which was formerly included in [b] and [c], is now excluded from those items and deducted from [a].

³ Purchase price allocation.

– Disclaimer –

The forecasts and estimates shown in this document are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcomes.